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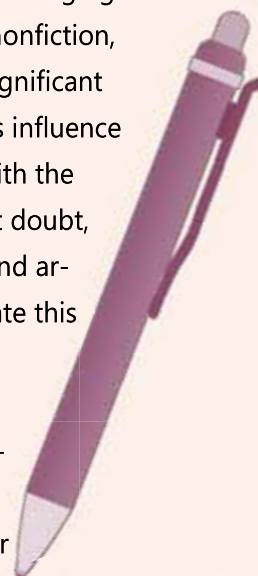
### Trainee Reviews

## From the desk of ALFAAZ

Dear Readers,

It gives immense pleasure to team Alfaaz-the literary committee of NIBM, to release the second edition of our quarterly newsletter, 'NIBM VISTA'. Literature belonging to any genre, be it prose or poetry, fiction or nonfiction, technical or non-technical, has always had a significant impact since time immemorial but how well its influence persists today and whether it's been carried with the same vigor, is however debatable. Still without doubt, there will always exist a populous so curious and ardent about reading and writing and we dedicate this newsletter to such souls.

VISTA tries to portray the vibrant and effervescent journey of the PGDM students at NIBM. Wholeheartedly, we thank you, our readers, for choosing VISTA and hope the read delights.





## Alumni Speak

Sanjil Vashist

Senior Manager

Risk Management  
Oriental Bank of Commerce

It was a rainy June afternoon of year 2008 when I landed at NIBM to begin my banking chronicles. The gloomy weather coupled with a fatigued body immediately made me homesick as it was the farthest, I had ever been from my home. At that moment, little did I know that this place shall give me one of the most cherished moments of my life. I am an alumnus of that extinct one-year PGPF course, which used to get over in no time. During that one year, I had the opportunity to interact with a brilliant faculty and talented bankers who joined the course on training. It's a privilege to have learnt financial management from Vikas Srivastava sir, who I still follow on social media. The lectures on Credit Risk and derivatives by Tasneem madam and Arindham sir respectively are still afresh in my mind. In market risk, Sanjay Basu sir was a genius par excellence. He continues to hold that reputation in banking fraternity till date. On a

lighter note, Khanna sir's 8:30 AM accounting class in 1st trimester was a challenge. Being from a technical background, accounting wasn't exactly my cup of tea and I sat through a lot of lectures having no idea about what an asset or a liability was!

Despite being an institution of aca-

**"I entered the campus as  
a jobless rookie  
and left as a  
managerial expert"**

demical excellence, NIBM never had a typically serious atmosphere. It was always a delight strolling around the lush green campus. The cultural nights during Ganesh Utsav, alumni meet and annual day were full of fun and frolic. The monthly birthday celebrations were a lot of action and so was Holi where I was dumped into a pit full of mud by my fellow partners in crime. Life at

NIBM was indeed eventful.

For the stability in my personal and professional life today, I owe it to NIBM. I entered the campus as a jobless rookie and left as a managerial expert. After a nerve wrecking placement week, I had offers from BoB and OBC, out of which I decided to join the latter and currently working with them in Risk department at Gurgaon. NIBM gave me moments that carry a lot of sentimental value and I can't help but miss that time. My advice to current batches – Pune is a lovely city and NIBM is a distinguished institution. You are living one of the best moments of your life, which you will want to relive once you pass out. So, make the most of it now on the academic as well as personal front. Happy learning. Godspeed!



Sudin Baraonkar  
Chairman and CEO  
BankChain Asset

## Industry Expert Views

An interview with Mr. Sudin Baraonkar, Chairman and CEO, BankChain Asset

### What are your business and website all about?

I am a Global IT and Innovation Advisor to Banks and FinTechs on Go Digital, Emerging Tech, transformation and New Business Models. I have also launched BankChainAsset.com which is a disruptive Startup that will use Block chain, AI and Automation to help Manage Assets, Exchange Assets and also include an Asset Payment Network. One of the focus use cases is to build a Participatory Platform for Banks and ARCs to have the Stressed Assets (NPA Loans) bought and sold, thereby recovering money and giving it to the needy people. So this has a huge social impact too.

### What inspired you to start such an organization?

The future of startups is emerging tech and new disruptive models. If Innovation and IP can be the focused then the Technology base and Technical Vitality of the startup model and vision makes it sustaina-

ble. I have been a serial innovator and collaborator and this gives me the best shot at building the next unicorn.

### What is your opinion regarding government's involvement when it comes to fintech?

DeMon and GST initiatives have made India a first rate Digital nation. So startups and fin-techs must leverage these huge transformations.

Government, Regulators and Banks can help fin-techs by collaborating on Sandboxes and APIs being made available to help fintechs test and validate their Solution and understanding Banking and Financial Services ecosystems much faster.

### How can fintech play a role in financial inclusion?

We can use emerging tech like Block chain, AI and Automation to enhance Financial Inclusion and reduce the associated operating costs which are currently extremely

high and economically unviable.

### What are the current cyber-security challenges in India and how can they be solved?

Data Hacks, Application and Network Vulnerability, Customer Data Privacy are major Challenges. Data Service Virtualization, Synthetic Data and Data Masking are the solutions that can solve the cyber security challenges.

### What is your advice to new aspiring entrepreneurs?

Take a shot. Take many more risks. Please collaborate. Discard your ego and work in an ecosystem. Think Global. Be honest, ethical and build the trust. Try to take part in Challenges and once you become successful, please give back to the community and society.

*Interview by  
Mihir Shukla  
PGDM 2018-20*





## Financial Research articles

### RBI Intervention & Forex Market

(Sterilization & Offset Coefficient)

According to Impossible trinity theory, a country cannot achieve the free flow of capital, a fixed exchange rate and independent monetary policy simultaneously. By pursuing any two of these options, it necessarily closes off the third.

Results of a study done by me show that with the liberalization of the economy and managed floating exchange rate it is becoming difficult for RBI to maintain an independent monetary policy. In managed floating exchange rate regime central bank intervenes in the forex market to reduce the volatility of exchange rate by buying excess supply of dollars and infusing rupee liquidity or selling dollars and reducing rupee liquidity to meet excess demand of dollars. For every 100 Rs infused in the market through intervention in forex market RBI sucks out 87 Rs worth of liquidity from the market through open market operations using G-Secs, but this liquidity absorption hardens the G-Sec yields and induced capital inflow worth 80 Rs takes place since higher interest rate results in more capital inflow.

The earlier researchers have shown that though during 1990-03

sterilization was high but this indeed did not harden the yields and no significant induced capital inflow took place. This effect was captured in the study of Dr Patnaik who showed that only 30% to 33% was the induced capital inflow during that period. This was due to the fact that our economy was not very



open during that period so monetary policy was effective but as we are moving towards an open economy over the years monetary policy is losing its independence.

Now RBI is coming out with another tool- "Standing Deposit Facility" for liquidity management. The Standing Deposit Facility, proposed to be introduced by the RBI, is a collateral free liquidity absorption mechanism that aims to absorb liquidity from the commercial banking system into the RBI. Since this facility does not involve the selling or buying of

G-secs, the yields on these bonds will not be affected in liquidity management. This will eventually help in reducing the induced capital inflow and provide some independence to monetary policy.

Another possible way to make monetary policy independent is to let the exchange rate determined by market only. But in current scenario it is not possible because India is a developing nation and its financial markets are not as developed as that of developed nations. Currently forex market is not in position to absorb the volatility of freely floating currency but once the market gets developed investors will have faith in the market and volatility will come down. So once the exchange rate is left to market forces monetary policy will restore its independence.

*Prafull Pandey  
PGDM 2017-19*



## Financial Research articles

### Fair valuation of financial instruments under IFRS 9

Accounting of financial instruments and their fair valuation has been severely criticized as being the reason for the global financial crisis in the year 2008. In late 2007, significant deterioration in earnings was observed due to extensive losses being recognized on fair valuation of derivatives. The International Accounting Standards Board (IASB) reviewed the accounting issues that had emerged as a result of the global financial crisis and commenced its project to replace IAS 39 with new accounting standards known as IFRS 9.

In this banking and finance project, we studied the impact of fair valuation of financial instruments on the equity of the balance sheet. For this study we have created a representative portfolio of a financial institution consisting of financial instruments like corporate bonds, government securities, derivatives, loans and compound financial instruments belonging to level-1, level-2 and level-3. Financial instruments have been recognized, classified and measured based on the principles set by IFRS 9. These financial instruments have been classified at amortized cost,

through profit & loss and through other comprehensive income. Level-1 financial instruments have been fair valued, based on their quoted market price of identical instruments while level-2 financial instruments have been fair valued based on the adjusted market price of similar instruments. Level -3 instruments have been fair valued based on unquoted market price



and certain assumptions in their valuation inputs. Based on the classification of instruments, valuation has impacted profit & loss account and other comprehensive income.

The highly affected instruments due to IFRS 9 includes Loans & advances to customers, impairment allowances, disclosures and investments securities. Loans & advances to banks, deposits due to customers, debt securities have a medium impact while Cash & cash equivalent, trading assets & trading

liabilities have a lower impact of application of IFRS 9. In our study, after the application of IFRS 9, assets have eroded by 1.73% leading to erosion in equity by 12.57 %. This erosion in value is due to the current market conditions which might not allow us to adopt IFRS 9.

Summing up, IFRS 9 standards are simpler and much more comprehensive than earlier IAS 39 standards and reflects the true market value early and more clearly, which is good for all the stakeholders suggesting its adoption as early as possible.

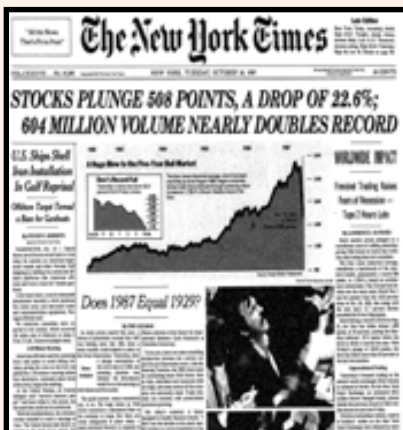
***Umesh Kumar Singh***

***PGDM 2017-19***

## A sneak peek into history

### STOCK MARKET CRASH 1987

October 19<sup>th</sup>, 1987, the day stock markets around the globe crashed, is etched in the minds of everyone involved in the financial markets of that time, on what later came to be known as **"Black Monday"**. The collapse started in Hong Kong, moving to west Europe and even managed to knock down the Goliath; the USA stock markets.



The Dow Jones Industrial Average (DJIA) fell exactly 508 points. In Australia and New Zealand, the 1987 crash is also referred to as **"Black Tuesday"** because of the time zone difference.

There had been warning signs prior to the crash similar to previous inflections. Economic growth in the USA had stagnated while inflation was on the rise.

Dollar appreciation was putting stress on the US exports. The stock market and economy were diverging for the first time in the bull market, and as a result, valuations climbed to excessive levels, with the overall market's price-earnings ratio climbing above 20.

Other than overvaluation, program trading dictated by portfolio insurance hedges were also to blame for the collapse. In program trading, computers execute rapid stock trades based on external inputs, such as the price of related securities. Common strategies implemented by program trading involve an attempt to engage in arbitrage and portfolio insurance strategies. They were programmed to start selling stocks if the prices fell below a certain threshold. If this had happened for a few stocks at a time, there wouldn't have been a problem but what happens when there is a large scale selling of stocks? The stock prices will fall further in a vicious cycle until the whole market comes crashing down and that's exactly what happened.

Many expected the crash of 1987 to cause a depression similar to 1929 but unlike the latter, the former was mainly the result of mass fear among the stock

trading public and not due to any external factors, which is probably why the markets started showing signs of recovery within two weeks of the crash.



ery within two weeks of the crash.

Although program trading contributed greatly to the severity of the crash (In its intention to protect every single portfolio from risk, it became the largest single source of market risk), the exact catalyst is still unknown, and possibly unknowable. After the crash, exchanges implemented circuit breaker rules and other precautions to slow down the impact of irregularities in the hope that markets will have more time to correct similar problems in the future.

*Irene Austin*  
**PGDM 2018-20**





## finNOVATIONz

### Mizuho Bank's 'Pepper'

If you are in Japan and somehow you are planning to visit any of Mizuho bank's branches, you will be most likely greeted by 'Pepper' -a robot. The bank has advanced itself technologically to meet customers' needs and thereby providing essential hospitality services. Platform for the same is given by none other than the IT giant IBM, by integrating cognitive computing and robotics. Functions of the robot include facial authentication of customers,



exploring the service arenas of each, introducing them to different products, and helping employees while conversing with the customers. It ensures each and every customer entering the premise leaves happy and satisfied. After learning this, now who wouldn't want a 'Pepper'?!

### LenderComm by Finastra

We are aware that large corporations and sovereigns may require huge capital at times which can be met readily by syndicated lending. But the procedures, maintenance and risks involved are a bit higher. How to handle the same in a little more transparent and optimized fashion? Well, Finastra has come up with a solution to ease the same with LenderComm.

It is an innovative new solution built using R3's Corda distributed-ledger technology (blockchain) where lenders are provided with accurate information on demand so that they can optimize syndicated-loan portfolios. Banks can structure credit agreements, manage portfolios more efficiently than ever before and increase process transparency through immediate access to transactional data. It seems blockchain is going to rule the coming decades.



*(Finastra has become one of the largest fintech companies, after the conglomeration with Misys and payments giant D+H. They are into providing software and consultancy solutions in the realms of retail & corporate banking, lending, treasury, capital markets etc.)*

<https://www.finastra.com/solutions/lending/syndicated-lending/fusion-lendercomm>

*Aasis. S. M*

*PGDM 2018-20*



# Imagination Unleashed

## INSIDE ME

A thousand words imprisoned in my head,  
A scream suppressed in my heart,  
My whole existence ready to collapse,  
I eat, breathe, walk, keep going.  
Silencing the scream in inebriated slumber,  
Erasing the words in drugged hallucination,  
Holding together in a tumbling mess,  
keep dragging the weight of nothingness.  
It's a whole new story behind that curtain,  
Of make-up, of dresses, of smiles,  
Of posts on social media;  
It's a story not of living, but of dying.  
No one interested to hear,  
To clean the grime of unhappiness,  
To find the crack of light,  
Fearing their own hornet's nest inside.

*Shalini Chowdhury*  
*PGDM 2018-20*

## CLAUSTROPHOBIA

There was this time when my elder brothers used to lock me in the closet for hours and I could only feel myself sobbing as if my vocal cords ceased to function, when all I wanted was to scream for help. It developed claustrophobia in me at an age when other kids my age were given wings to fly high in the blue sky. Slowly and gradually, I became habitual to the darkness and the silence and it made me passionate about the wide universe that was open and happy to welcome our souls.

I pinned my claustrophobia down and today after 23 years,

I'm back in a closed vault, dark and silent but outside this place is the space.

Being in the astronaut's suit, I feel like an ace, punching my fears in the face. I've gifted myself this universe to fly over, my heart being the closet for all these sights and memories.

*Varun Markani*  
*PGDM 2018-20*

## THE CHOICE LIES WITH US

As I entered her room, my eyes wet, my body shivering and my heart beating faster than ever, my mind went into flashback. It seemed like it was yesterday when I pleaded for a bicycle and without wasting a minute, she took me to the nearest cycle store and bought me the one I put my finger on. I could see the joy on her face when she came to school for a parent teacher meeting and learnt that I had passed with flying colors. How happily she had proclaimed to everyone her feeling of pride.

The nurse who was in her room came to me and advised me not to weep in front of her. The room was filled with a killing silence. I took her hand in mine. She was trying to smile in front of me but I could see the pain in her eyes. Even on the verge of death, she asked if I had lunch. That's unconditional love: only parents love you like that.

Today's youngsters often take their parents for granted because they have never felt the pain of their absence. The purest form of love is parents' love. They love us without asking anything in return. We should listen to them and respect their words of wisdom and always be polite even if we are disagree with them. They always show us the right path. The choice lies with us whether to take it or not.

*Nishant Pandey*  
*PGDM 2018-20*





## Events@NIBM

### FOUNDATION DAY

NIBM celebrated its 49<sup>th</sup> foundation day on 24<sup>th</sup> September, 2018. We were honored to have Shri Ashok Lavasa, Hon. Election Commissioner of India and Raman Magsaysay award winner – 2018, Dr. Bharat Vatwani, as chief guests. First Dr. Vatwani shared his life experiences, hardships, inspirations which led to the formation of his rehabilitation foundation. Then Mr. Lavasa shared his vision to make banking services more efficient, ethical and sustainable. He also emphasized on how in the pursuit of development not only man, machine, finance matters but other sustainable factors matter as well.



### NATIONAL UNITY DAY CELEBRATION

To mark the 143<sup>rd</sup> birth anniversary of India's first home minister, Sardar Vallabhbhai Patel, on October 31<sup>st</sup>, 2018, NIBM, in solidarity with the entire nation celebrated National Unity day and conducted the 'Run for Unity' marathon. Prior to the event, student council of NIBM held a 'Rashtriya Ekatmata' Pledge and an inspiring poem about the need to stay united, was recited by Mihir Shukla of PGDM Batch 2018-20.

### INVESTMENT CLUB

Dr. M Manickaraj, Associate Dean of PGDM at NIBM, inaugurated the Investment club on November 30<sup>th</sup>, 2018. It is a student run initiative intended to provide members, the opportunity to get hands-on experience in investment management with real-time data and money involved. The second year students mentor first year students in evaluating sectors and making decisions on investment options. The objective is to provide students a launch pad to enhance their skills through the experience of managing a real investment portfolio.





## Events@NIBM

### GUEST LECTURES

#### Mr. Ambreesh Srivastava - Fitch ratings

On 7<sup>th</sup> December, 2018, Mr. Ambreesh Srivastava, Head of Financial Institutions-South and Southeast Asia at Fitch Ratings visited NIBM and addressed students where he gave deep insights about different types of financial ratings and further elaborated them by explaining various factors influencing them. He also discussed the nuances of national, international and viability ratings and also talked about risks hounding global financial sector.



#### Shri Ajay Narayan Jha - Finance Secretary of India

On 10<sup>th</sup> December, 2018, NIBM welcomed Shri Ajay Narayan Jha, IAS, Secretary, Ministry of Finance. After the traditional lamp lighting ceremony, Mr. Jha delivered his lecture on 'Fiscal Management in India'. He talked about the contemporary fiscal policies of India and their development over time. He touched upon FRBM act, 12<sup>th</sup> Finance Commission, Article 293 and budget distribution across sectors. Also discussions were on the efforts made to bring fiscal deficit down to 3% and challenges faced by the government. Many banking professionals of different nationalities attended the event. Training professionals and PGDM students posed several questions to our esteemed guest which he answered eloquently.





## Events@NIBM

### New year High tea toast

New year at NIBM started with a vibrant High tea toast where the faculties, PGDM committee members, staffs of NIBM and PGDM students were all present. Director Dr. Dhingra addressed the audience and shared his views on the challenges Banking industry is facing and has conveyed his hopes that the sector will be picking up from March 2019. Event was exquisite and provided a fine platform for interaction between students, faculties, and other staffs.



### First round of placement

We have witnessed an extraordinary quarter this time at NIBM and guess what, this was the placement season. Around 16 companies, including the giants Airtel Payments bank, KPMG, HDFC, HSBC, Axis Bank, Accenture, SIB, and ICRA visited the campus in the initial days itself to pick from our bright bunch of future managers. Quite the curious fact was that, here the companies were competing among themselves to get the best. The whole process was intriguing because, a student would have already got an offer in the first place but other companies also wanted the same candidate, but could not.



This vying between the companies to take our students of NIBM, intensifies the fact, how worth they are. About 90 percent of the students are placed already in the first round. Endless support from our Dean Dr. Manickaraj Malai and sincere efforts from our placement cell has paved the way for the same. Kudos, way to go !!!

Vista appreciates the team whole heartedly

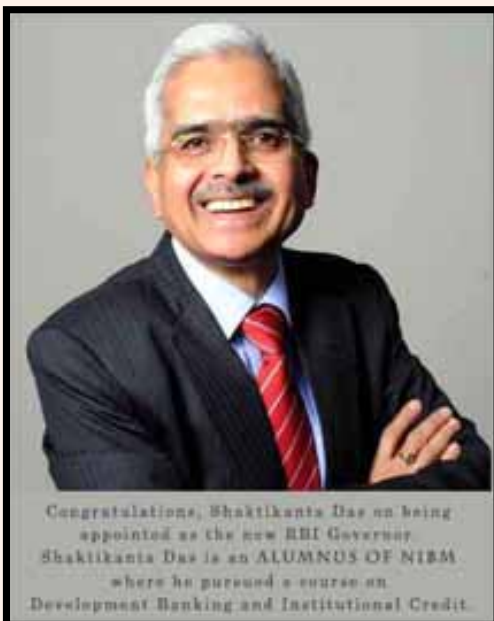




## Accolades

### **K.V Subramanian-Chief Economic Advisor**

Krishnamurthy Subramanian is one of the world's most sought after expert in banking, economic policy and corporate governance. Being a top-ranking IIT-IIM alumnus, he has taken his PhD from Chicago-Booth. He is the executive director and also an associate professor at ISB Hyderabad. He is currently serving in the committees of SEBI, RBI and is also on the board of NIBM and RBI Academy.



### **Shaktikanta Das-25<sup>th</sup> RBI Governor**

Appointed as the 25th Governor of RBI, Shaktikanta Das is a retired Civil servant, an earlier member of the Fifteenth finance commission of India and India's Sherpa to the G20. He has served the positions of Economic Affairs Secretary of India, Revenue Secretary of India and Fertilizers secretary of India. It is a great privilege for both the PGDM batches to see our alumnus as the Governor of the Central bank.



## Accolades

### Aayushi Mittal and Siddhi Jain

Ms Aayushi Mittal and Ms Siddhi Jain of PGDM Batch 2018-20 secured the **first** position in the Annual Stock Pitching Competition, Investowise 2018, of Credence Capital, **IIM Lucknow**. The competition consisted of 4 rounds comprising of Quiz, Industry Analysis, Company Equity Research and the Final presentation.



### Pratik Upadhyay and Akshay Dosi

Mr. Pratik Upadhyay & Mr. Akshay Dosi, both first year students of the PGDM program bagged the **second** prize at Prakshepan organized by Finacea, the Finance club of **Institute of Management Technology** Hyderabad. The event was held as part of Impelz 2018 the annual management fest of IMT. The final round had top 7 teams analyzing the financial statements of the last 5 years of a hypothetical company .

### Anshuman Parasar and Tanisha Gupta

Ms Tanisha Gupta & Mr. Anshuman of PGDM Batch 2018-20, bagged the **runners up** prize at the intercollegiate competition Unnati held by **IIT Bombay**. The students got through the quiz round followed by a case study and finally a presentation to win the prestigious prize.







## Cultural Medley

### DIWALI



### CHRISTMAS



### GARBA NIGHT





## Trainee Reviews

**Abhishek Vaidya**

**Training: Retail credit management**

**Senior officer, Nepal Investment Bank**

*"Programme is good. The concepts explained can be very well applied practically in our day to day banking. Faculties are helpful and classes are more about practical orientation rather than theory. Campus is nice, from classroom to gym everything is nice."*

**Arjun Man Singh Pradhan,**

**Training: Retail credit management**

**Branch manager, Bank of Kathmandu**

*"Programme is excellent and very much relevant to my regular life but I wish such programs can be conducted in our country as well so that more people can participate over there. It was a wonderful experience."*

**Mr. Satyakrishna**

**Training: Advance program on card payment systems**

**Chief manager, Corporation Bank**

*"It is my second visit to NIBM and this time I am attending card payment program. Quality of training provided is excellent and concepts are very well explained."*

*Interview by*

*Mayuri Saxena*

*PGDM 2018-20*

**Pramod Kumar**

**Training: Retail credit management**

**Chief manager, Corporation Bank**

*"Programme is fantastic, faculty are very knowledgeable and I am not finding any difficulty. Stay is also comfortable. Overall it is a good and reasonable experience."*



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